

August 28, 2009

OBEY SPEAKS TO ANTIGO SCHOOL DISTRICT

ANTIGO, WI – Seventh District Congressman Dave Obey (D-WI) was in Antigo today to speak with teachers, staff, and administrators at the Antigo School District Welcome Back Day. The Antigo School District received over \$3 million in American Recovery and Reinvestment Act (ARRA) funds that they would otherwise not have received. The funding was provided through legislation produced by the Appropriations Committee which Obey chairs.

“The financial collapse last year left the country facing an estimated \$3.5 trillion hole in the economy over the next three years,” Obey said. The Recovery Act is designed to fill about one-third of that hole.”

“All of that funding is expected to go out over the next 2-1/2 years, helping to reduce the number of jobs that would otherwise be lost in a free falling economy. These dollars do not represent thrown at our favorite programs. Instead, look at this effort as a hole-filling operation; we’re trying to fill at least one-third of the expected hole in the economy in order to soften the fall.”

“This recession is going to be more difficult to climb out of than recent recessions because it is different,” said Obey. “Ordinarily, in a recession the Federal Reserve will cut interest rates and that generates additional housing and auto sales, and those two sectors lead us out of the recession. This time there is no way either of them will lead us out of anything. That means the only lever left to pull is the lever of government investment. And that is what we are trying to do with the Stimulus or Recovery package. One-third of that package has come in the form of tax cuts. The rest is focused on trying to limit job loss by doing five things:

- First, we invested in highways, airports, bridges, broadband and other infrastructure to

produce construction jobs over the next two years;

- Second, we eased the squeeze on state budgets;

- Third, the Recovery Act did three important things for education. Thousands of teachers kept their jobs who would have otherwise been laid off, we eased the squeeze on local property taxpayers at a time of economic stress, and we helped preserved quality education for children;

“We won’t get a second chance to educate today’s children,” said Obey, “we can’t say that because times are tough – back away from quality education.”

- Fourth, we beefed up funding for science and energy research to reduce our dangerous reliance on foreign oil, which drains \$400 billion a year out of our economy and pours it into the Middle East and other oil producing countries, has to end. That will also create or salvage a good many jobs in the energy field;

- And fifth, we appropriated billions of dollars to help families who were hit the hardest by the recession. We did this through Medicaid and through additional help to enable families to afford to keep their health insurance under COBRA, even if they lost their jobs. We also extended and expanded unemployment insurance funding and we tried to help those families keep their kids in college by raising Pell grants by \$600 and by providing \$2500 tax credits for college.”

“Now we are five months into what will be a 30-month plan. In baseball terms, we are about at the bottom of the second inning. The biggest impact from this effort should be felt next year. But these efforts alone cannot insulate us from the consequences of years of bad policy. We also must have a recovery of the housing markets; a recovery of the auto industry; a worldwide recovery, especially in Japan and Europe because so long as their economies are sagging, we cannot sell our goods in their markets and that costs us additional jobs,” Obey said.

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